

UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF TEXAS  
WACO DIVISION

IN RE:	§	Chapter 7
	§	
LITTLE RIVER HEALTHCARE	§	Case No. 18-60526-rbk
HOLDINGS, LLC, <i>et al.</i> ,	§	
	§	(Jointly Administered)
Debtors. <sup>1</sup>	§	

**CHAPTER 7 TRUSTEE’S COMBINED FINAL REPORT AND MOTION TO  
AUTHORIZE DISBURSEMENTS AND APPLICATION FOR APPROVAL OF  
TRUSTEE COMPENSATION (RELATING TO THE BANKRUPTCY ESTATES OF  
DEBTORS TIMBERLANDS HEALTHCARE, LLC, KING’S DAUGHTERS  
PHARMACY, LLC, AND LITTLE RIVER HEALTHCARE MANAGEMENT, LLC)**

**This pleading requests relief that may be adverse to your interests.**

**If no timely response is filed within 21 days from the date of service, the relief requested herein may be granted without a hearing being held.**

**A timely response is necessary for a hearing to be held.**

TO THE HONORABLE RONALD B. KING, CHIEF U.S. BANKRUPTCY JUDGE:

COMES NOW James Studensky (the “Trustee”), the duly appointed and acting chapter 7 trustee in the above-captioned jointly administered bankruptcy cases, and files this his *Combined Final Report and Motion to Authorize Disbursement and Application for Approval of Trustee Compensation (Relating to the Bankruptcy Estates of Debtors Timberlands Healthcare, LLC, King’s Daughters Pharmacy, LLC, and Little River Healthcare Management, LLC* (the “Motion”), and in support thereof would respectfully show the Court as follows:

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<sup>1</sup> The Debtors in these chapter 7 cases, along with the last four digits of each Debtor’s federal tax identification number, as applicable, are: Compass Pointe Holdings, LLC (1142), Little River Healthcare Holdings, LLC (7956), Timberlands Healthcare, LLC (1890), King’s Daughters Pharmacy, LLC (7097), Rockdale Blackhawk, LLC (0791), Little River Healthcare - Physicians of King’s Daughters, LLC (5264), Cantera Way Ventures, LLC (7815), and Little River Healthcare Management, LLC (6688). The bankruptcy cases of Compass Pointe Holdings, LLC (Case No. 18-60525) and Little River Healthcare Physicians of Kings Daughters, LLC (Case No. 18-60531) were closed on April 11, 2019; all other Debtors’ cases remain open.

## **I. SUMMARY OF RELIEF REQUESTED**

1. Three of the bankruptcy estates (the “Limited Estates”) being jointly administered herein contained limited assets upon conversion of these cases from Chapter 11 to Chapter 7. Based on the information available to him, the Trustee has liquidated all the available assets in the Limited Estates. Pursuant to the agreement between Trustee and the secured lender in this case [see Dkt. No. 942, approved by order at Dkt. No. 973], and in light of the liens that secured lender has on the assets of the Limited Estates, the Trustee now proposes to make disbursements from the Limited Estates and wishes to obtain approval of his concomitant statutory commissions.<sup>2</sup> The Trustee intends for this Motion to serve as his Final Report so that the bankruptcy cases for the Limited Estates can be closed.

## **II. JURISDICTION, VENUE, AND STATUTORY BASES**

2. This Court has jurisdiction to hear this matter pursuant to 28 U.S.C. § 1334, and the standing order of reference from the District Court. Venue over this matter is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). The statutory predicates for the relief requested herein are 11 U.S.C. §§ 105(a), 326, and 726.

## **III. BRIEF BACKGROUND**

3. On July 24, 2018 (the “Petition Date”), each of the Debtors commenced with this Court a voluntary case under chapter 11 of the Bankruptcy Code.

4. After notice and a hearing, on December 7, 2018 (the “Conversion Date”), the Court entered an order [Dkt. No. 547] converting the Debtors’ bankruptcy cases to chapter 7.

5. The Trustee is the duly appointed and acting Chapter 7 trustee in the above-

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<sup>2</sup> The Trustee is not requesting reimbursement of any expenses from the Limited Estates.

captioned jointly administered bankruptcy cases.

6. Monroe Capital Management Advisors, LLC, as administrative agent (in such capacity, the “Agent”), on behalf of itself and the other lenders (the “Lenders”) has at all times relevant to this pleading, claimed valid, enforceable, and allowable claims against the Debtors secured by, among other things, perfected, first-priority priming liens and security interests on substantially all of the Debtors’ assets pursuant to, among other things, the *Agreed Order (I) Authorizing Chapter 7 Trustee to (A) Enter Into and Perform Under Settlement Pursuant to 11 U.S.C. § 105(a) and Bankruptcy Rule 9019, (B) Use Cash Collateral and Grant Adequate Protection, (C) Obtain Post-Petition Financing on a Secured, Superpriority Basis, and (D) Sell Estate Property Free and Clear of All Interests Pursuant to 11 U.S.C. § 363(b) and 363(f), (II) Approving Sale Procedures, and (III) Granting Related Relief* [Dkt. No. 973] (the “Order”). In connection with the Order, Lenders’ claims are secured against substantially all assets of the Debtors.

7. Among the Debtors in these proceedings are Timberlands Healthcare, LLC (“Timberlands”); King’s Daughters Pharmacy, LLC (“Pharmacy”); and Little River Healthcare Management, LLC, (“Management”), each of whom had a relatively small number of assets in their estates (the “Limited Estates”) upon conversion. Lenders’ liens extend to the assets in the Limited Estates.

8. The Trustee believes that he has at this point administered all identifiable assets in the Limited Estates. Attached hereto as **Exhibits A, B, and C** are the Estate Cash Receipts and Disbursements Records for Timberlands, Pharmacy, and Management, respectively.

9. As reflected in **Exhibit A**, the bankruptcy estate of Timberlands has cash on hand in the amount of \$61,226.56. Out of this \$61,226.56, the Trustee proposes to make the following

disbursements: 1) \$325.00 to Office of the United States Trustee as the Chapter 11 quarterly fees owed in payment of Claim No. 19; 2) \$6,324.12 in statutory commission to the Trustee based on proposed distributions of \$61,482.37; 3) remaining balance of \$54,577.44 to be, in accordance with the Order, disbursed into the bankruptcy estate of Rockdale Blackhawk, LLC.

10. As reflected in **Exhibit B**, the bankruptcy estate of Pharmacy has cash on hand in the amount of \$91,424.60. Out of this \$91,424.60, the Trustee proposes to make the following disbursements: 1) \$8,128.25 to the Office of the United States Trustee as the Chapter 11 quarterly fees owed in payment of Claim No. 6; 2) \$5,745.35 to Bell County TAD for ad valorem property taxes in payment of Claim No. 10; 3) \$7,835.69 in statutory commission to the Trustee based upon proposed distributions of \$91,713.81; 4) remaining balance to be, in accordance with the Order, disbursed into the bankruptcy estate of Rockdale Blackhawk, LLC.

11. As reflected in **Exhibit C**, the bankruptcy estate of Management has cash on hand in the amount of \$2,649.10. Out of this \$2,649.10, the Trustee proposes to make the following pro-rated disbursements: 1) pro-rated \$2,332.37 to the Office of the United States Trustee as Chapter 11 quarterly fees owed; 2) pro-rated \$316.73 in statutory commission to the Trustee based upon proposed distributions of \$2,649.10.

#### **IV. GROUNDS FOR RELIEF**

12. Once a bankruptcy estate has been fully administered by a Chapter 7 trustee, distributions and final reports are governed by 11 U.S.C. § 726, with the priority scheme created by 11 U.S.C. § 507 governing entitlement to disbursements from the bankruptcy estate. In each of the Limited Estates, there are insufficient funds to reach beyond payment of the administrative costs of the Limited Estates and the outstanding secured claims of Lenders as contemplated in the Order. As such, pursuant to the priority scheme created by 11 U.S.C. § 507, the disbursements

proposed herein by the Trustee are just and proper.

13. Pursuant to 11 U.S.C. § 326, the Trustee is entitled to statutory commission in accordance with the priority scheme created by 11 U.S.C. § 507. As such, the Trustee requests approval from the Court for his statutory commission as described above.

**V. PRAYER**

The Trustee respectfully requests that the Court: (i) grants the relief requested in the Motion and grants the Trustee such other and further relief to which it may be justly entitled, both at law and in equity.

Respectfully submitted,

By: /s/ James Studensky

James Studensky, Chapter 7 Trustee  
State Bar No. 19440000

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**COUNSEL FOR JAMES STUDENSKY,  
CHAPTER 7 TRUSTEE**

**CERTIFICATE OF SERVICE**

I hereby certify that on this the 20th day of May, 2020, I electronically filed this Motion with the Clerk of Court using the CM/ECF system which will send notification of such filing to those receiving electronic service, or service was made by email as reflected below. Copies of the Motion, excluding Exhibits, is being served on those on the appended Service Lists; in order to save costs, copies of the Exhibits to those persons will not be mailed but rather will be promptly provided upon request by email to bcumings@gdhm.com , subject line “18-60526 Little River”.

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By:/s/ Brian T. Cumings

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